No. P. 2464, *dated* 31*st October* 1932.

Under Standing Order 49 of the Standing Orders for the conduct of business of the Mysore Legislative Council, the following report of the Select Committee on the Bill to impose a Tax on Entertainments and other Amusements is published for general information with the Bill as amended by them.

By Order,

N. MADHAVA RAO,

Chief Secretary to Government.

Report of the Select Committee appointed to consider the Amusements Tax Bill.

We, the undersigned Members of the Select Committee to which the Bill to impose a tax on entertainments and other amusements was referred, have considered the Bill and have the honour to submit this, our report with the Bill as amended by us, annexed hereto.

We are in agreement with most of the provisions in the Bill. We have dealt with only the main amendments made by us in this report. The other minor changes which are mostly verbal have been indicated in the bill as amended, annexed hereto.

Preamble.—We have omitted the words "to make an addition to the public revenue and the revenue of the local authorities in Mysore and for that purpose" from the preamble as being unnecessary.

Clause 2 (1).—We consider that persons taking part in an entertainment ought to be excluded from the operation of the Regulation and we have accordingly deleted the words "and admission for the purpose of amusement by taking part in an entertainment" from the definition.

We have substituted the word "body" for "board" in the definition of the expression "local authority" so as not to exclude any local body constituted under any Regulation in force, from the definition.

Clause 3.—We consider that the fixed percentage of tax proposed in the Bill will be a great hardship and that it should be flexible and capable of being varied as the conditions and circumstances demand. We have accordingly revised sub-clause (1) so as to provide for a levy at a rate not exceeding 25 per cent.

Sub-Clause (2) may with advantage form part of the first sub-clause as a proviso to it. As the taxable minimum of eight annas proposed in the Bill would exclude a very large class of people resorting to entertainments, we have fixed the minimum at four annas instead of eight annas. The rate of entertainments tax to be levied may be fixed by the Government from time to time and the Government may also be empowered to fix different rates for different classes of entertainments and for different local areas. We have, therefore, suggested the addition of a sub-clause to this effect.

In view of the above alterations in the clause, there will be no need for the present sub-clauses (3) and (5).

Sub-clause (4) is also revised so as to empower the Government to frame rules for consolidation of payments of the tax.

The clause as revised will read as follows :—

(1) " There shall as from the first day of 193 , be charged, levied and paid to the Government a tax hereinafter referred to as the entertainments tax, at a rate not exceeding twenty five per cent on all payments for admission to any entertainment, provided that the tax shall not be leviable where the payment for admission is less than four annas.

(2) Subject to the provisions of sub-section (1), the rate of the entertainments tax shall be fixed by the Government by notification from time to time and it shall be competent to the Government to fix different rates for different classes of entertainments or for different areas.

(3) The Government may, on the application of a proprietor of any entertainment in respect of which the entertainments tax is payable under sub-section (1), allow the proprietor on such conditions as they may prescribe, to pay the amount of the tax due by means of a consolidated payment fixed in such manner as may be prescribed by rules framed by the Government in this behalf."

Clause 10.—We are of opinion that the Government should not delegate to any other authority the power given to them under section 3 to fix the rate of the tax and have accordingly inserted section 3 also in the exception to this clause.

Clause 14.—Since the Government have declared that the proceeds of this tax, deducting the charges of collection and administration of the Regulation, will be made over to the local bodies, the clause has been suitably altered to bring out this idea by adding a proviso at the end.

The clause as amended reads as follows:—

"The Government may apportion the proceeds of the entertainments tax in any local area between the local authorities and itsef in such a portion as it may determine by general or special orders or by rules made in this behalf.

Provided that the portion of the entertainments tax kept to itself by the Government shall be limited to the expenses incurred by the Government towards the cost of collection of the tax and for the administration of this Regulation, the amount of such expenses being determined by Government in such manner as it may deem fit."*

We recommend, that the Bill as amended by us may be republished.

K. Matthan, (*Chairman*).
N. Madhava Rao,
N. S. Subba Rao,
B. Abdur Rahmon,
D. S. Mallappa,
H. C. Dasappa,
G. Channappa,
B. K. Garudachar.

BANGALORE,
Dated 26th October 1932.

* Mr. F. A. Hamilton, the other members of the Committee, was unable to be present at the meeting.

Bill as amended by the Select Committee.

[*N.B.*—Portions omitted by the Committee are enclosed in square brackets and portions added are printed in italics.]

Bill to impose a Tax on Entertainments and other Amusements.

Preamble. Whereas it is expedient to make an addition [to the public revenue and the revenue of the local authorities in Mysore and for that purpose] to impose a tax on Entertainments, and other Amusements, it is hereby enacted as follows:—

Short title, extent and commencement. 1. (1) This Regulation may be called the Mysore Amusements Tax Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates as the Government may by notification [in the *Official Gazette*] direct.

Definitions. 2. In this Regulation, unless there is anything repugnant in the subject or context,—

(1) "admission" includes admission as a spectator or as one of an audience; [and admission for the purpose of amusement by taking part in an entertainment;]

(2) "admission to an entertainment" includesadmission to any place in which the entertainment is held;

(3) "agriculture" includes horticulture and live-stock breeding;

(4) "entertainment" includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment;

(5) "live-stock" includes animals of every description;

(6) "local authority" means a municipal council or a local [board] *body* constituted under any enactment for the time being in force;

(7) "notification" means a notification published in the *Official Gazette*;

(8) "payment for admission" includes any payment made by a person who having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving a tax or a higher rate of tax is required, and any payment for seats or other accommodation in a place of entertainment;

(9) "proprietor" in relation to any entertainment,

includes any person responsible for the management thereof; and

(10) "society" includes a company, institution, club or other association of persons by whatever name called.

Tax on payments for admission to entertainments.

3. (1) [Except as otherwise expressly provided in this Regulation] There shall as from the first day of 193 ; be charged, levied, and paid to the Government a tax, hereinafter referred to as the entertainments tax, at [the] *a* rate [of] *not exceeding* twenty-five per cent on all payments for admission to any entertainment.

Provided that the [entertainments] tax shall not be leviable where the payment for admission is [not more] *less* than *four* [eight] annas.

(2) *Subject to the provisions of sub-section* (1), *the rate of entertainments tax shall be fixed by the Government by notification from time to time and it shall be competent to the Government to fix different rates for different classes of entertainments or for different areas.*

[(3) The rate of the entertainments tax in the case of payments for admission to any theatre, cinematograph, exhibition, or circus or any class of entertainment to which the Government may apply this sub-section on the ground that the rates specified in sub-section (1), would impose an undue burden on the industry involved, shall be as follows, namely :—

Where the payment excluding the amount of tax—

(i) is more than eight annas but is less than twelve annas ...	one anna
(ii) is twelve annas or more but is less than one rupee eight annas ...	two annas
(iii) is one rupee eight annas or more but is less than two rupees eight annas ..	four annas
(iv) is two rupees eight annas or more but is less than three rupees eight annas ...	eight annas
(v) is three rupees eight annas or more but is less than four rupees eight annas ..	twelve annas
(vi) is four rupees eight annas or more but is less than six rupees eight annas ...	one rupee
(vii) is six rupees eight annas or more but is less than nine rupees eight annas ..	one rupee eight annas
(viii) is nine rupees eight annas or more but is not more than ten rupees ...	two rupees
(ix) is more than ten rupees, for the first ten rupees and for every ten rupees or part of ten rupees over ten rupees ..	two rupees]

(3). [(4)] The Government may, on the application of a proprietor of any entertainment in respect of which the entertainments tax is payable under sub-section (1), allow the proprietor on such conditions as they may prescribe to pay the amount of the tax due by means of a consolidated payment *fixed in such manner as may be prescribed by rules framed by the Government in this behalf.* [of twenty per centum of the gross sum received by the proprietor on account of payments for admission to the entertainment and on account of the tax.]

[(5) The entertainments tax, in the case of theatres, cinematograph, exhibitions and circuses and any other class of entertainment which the Government may direct, shall be charged, levied and paid with effect from the first of 193 .]

Admission to entertainments.

4. No person shall be admitted for payment to any entertainment where the payment is subject to the entertainments tax, except—

(*a*) with a ticket stamped with an impressed, embossed, engraved or adhesive stamp (not before used) issued by the Government for the purpose of revenue and denoting that the proper entertainments tax has been paid; *or*

(*b*) in special cases, with the approval of the Government, through a barrier which, or by means of a mechanical contrivance which, automatically registers the number of persons admitted,

unless the proprietor of the entertainment has made arrangements approved by the Government for furnishing returns of the payments for admission to the entertainments and has given security up to an amount and in a manner approved by the Government for the payment of the entertainments tax.

Penalty for non-payment of tax.

5. If any person is admitted for payment to any place of entertainment and the provisions of section 4 are not complied with, the proprietor of the entertainment to which such person is admitted shall, on conviction before a magistrate, be liable in respect of each such offence to a fine not exceeding five hundred rupees, and shall, in addition, be liable to pay any tax which should have been paid.

Sections 4 and 5 not to apply in certain cases.

6. The provisions of sections 4 and 5 shall not apply to any entertainment in respect of which a consolidated payment is made under section 3, sub-section (3).

Manner of payment.

7. (1) The entertainments tax shall be charged in respect of each person admitted for payment, and, in the case of admission by stamped ticket, shall be paid by means of the stamp on the ticket and, in the case of admission otherwise than by stamped ticket, shall be calculated and paid on the number of admissions.

(2) The entertainments tax, in the case of admission otherwise than by stamped ticket, shall be recoverable from the proprietor.

(3) Where the payment for admission to an entertainment is made by means of a lumpsum paid as a subscription or contribution to any society, or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, or for any privilege, right, facility or thing combined with the right of admission to any entertainment, or involving such right of admission without further payment or at a reduced charge, the entertainments tax shall be paid on the amount of lumpsum, but where the Government are of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to any entertainment, or covers admission to an entertainment during any period for which the tax has not been in operation, the tax shall be charged on such an amount as appears to the Government to represent the right of admission to entertainments in respect of which the entertainments tax is payable.

Exemptions.

8. (1) The entertainments tax shall not be charged on payments for admission to any entertainment where the Government are satisfied:—

(*a*) that the whole of the takings thereof are devoted to philanthropic, religious or charitable purposes without any charge on the takings for any expenses of the entertainments; or

(*b*) that the entertainment is of a wholly educational character (any question on that point to be determined in the case of difference by the Government); or

(*c*) that the entertainment is provided for partly educational or partly scientific purposes by a society, not conducted or established for profit; or

(*d*) that the entertainment is provided by a society which is established solely for the purpose of promoting the interest of the industry of agriculture, or the

manufacturing industry, or some branch thereof, or the public health and which is not conducted for profit, and consists solely of an exhibition of the products of the industry, or branch thereof, for promoting the interests of which the society exists or of materials, machinery, appliances, or foodstuffs, used in the production of those products, or of articles which are of material interest in connection with the questions relating to the public health, as the case may be.

(2) The Government may, by general or special order, exempt any entertainment or class of entertainments from liability to the entertainments tax.

Refunds in certain circumstances.

9. Where the Government are satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net proceeds not more than twenty-five per cent of the gross proceeds have been deducted on account of the expenses of the entertainment, they *may* [shall] repay to the proprietor the amount of the entertainments tax paid in respect of the entertainment.

Recoveries.

10. (1) Any sum due on account of the entertainments tax shall be recoverable by the Government as a revenue demand.

(2) Any fine imposed under this Regulation shall be recovered in the manner provided in the Code of Criminal Procedure, 1904, for the recovery of fines.

Inspection.

11. (1) Any officer authorised by the Government for the purpose may enter any place of entertainment while the entertainment is proceeding and any place ordinarily used as a place of entertainment at any reasonable time, with a view to seeing whether the provisions of this Regulation, or any rules made thereunder are being complied with.

(2) If any person prevents or obstructs the entry of any officer so authorised, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be liable on conviction before a magistrate to a fine not exceeding two hundred rupees.

(3) Every officer authorised under this section shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, as in force in Mysore.

Rules.

12. (1) The Government may make rules for securing the payment of the entertainments tax and generally for

carrying into effect the provisions of this Regulation and in particular—

(*a*) for the supply and use of stamps or stamped tickets, or for the stamping of tickets sent to be stamped; and for securing the defacement of stamps when used;

(*b*) for the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and for the payment of the tax on the transfer from one part of a place of entertainment to another and on payments for seats or other accommodation;

(*c*) for controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payments of a different amount), and for securing proper records of admission by means of barriers or mechanical contrivances;

(*d*) for the checking of admissions, the keeping of accounts and the furnishing of the returns by the proprietors of entertainments to which the provisions of section 3, sub-section (3), are applied or in respect of which the arrangements approved by the Government for furnishing returns are made under section 4;

(*e*) for the renewal of damaged or spoiled stamps and for the procedure to be followed on applications for refund under this Regulation or under the rules made thereunder;

(*f*) for the keeping of accounts of all stamps used under this Regulation; and

(*g*) for the presentation and disposal of applications for exemption from payment of the entertainments tax, or for the refund thereof, made under the provisions of this Regulation.

(2) If any person acts in contravention of, or fails to comply with, any such rules, he shall, on conviction before a magistrate, be liable in respect of each offence to a fine not exceeding five hundred rupees.

Power of Government to delegate certain powers.

13. The Government may, by notification, [in the *Official Gazette*,] delegate all or any of their powers under this Regulation, except those conferred upon them by sub-section (3) of section 1, *by section 3*, by section 12, and by this section, to any person or to any authority subordinate to the Government.

14. Government may apportion the proceeds of the entertainments tax in any local area between the local authorities and itself in such a proportion as it may

determine by general or special orders or by rules made in this behalf;

Provided that the portion of the entertainments tax kept to itself by the Government shall be limited to the expenses incurred by the Government towards the cost of collection of the tax and for the administration of the Regulation, the amount of such expenses being determined by the Government in such manner as it may deem fit.

No. P. 2604—*Legis.* 20-32-5, *dated Bangalore, 7th November* 1932.

In exercise of the powers conferred by section 13 of the Mysore Motor Vehicles Regulation, IV of 1913, the Government of His Highness the Maharaja are pleased to exempt all Municipal lorries which are being used solely for public purposes and not for purposes of profit from payment of fees for renewal of registration.

By Order,
R. RANGA RAO,
Chief Secretary to Government.

No. Rl. 2708—L.C. Bangalore, dated 3rd November 1932.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to repeal certain enactments whereby breaches of contract by labourers are made punishable under the Criminal Law is published for general information with the statement of objects and reasons.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary,
Mysore Legislative Council.